

**23-621 CONTRACT PERIODS****23-621**

- .1 A contract originally obtained by bid may be renewed without rebidding under the following circumstances if the potential for renewal has been included in the IFB or RFP. Contract terms and rebidding are limited as follows:
  - .11 Contracts which are procured by formal advertising (IFB or RFP), or negotiated contracts with other governmental agencies or public education institutions, are normally limited to no more than a three-year term, at which time they must be rebid or, if appropriate, renegotiated under the terms of Section 23-650, Procurement by Negotiation.
  - .12 Contracts with private individuals, firms, or agencies which are procured through negotiation, are normally limited to a one-year term. Toward the end of the term, the criteria for procurement by negotiation contained in Section 23-650 shall be reapplied to determine whether or not the contract should be procured through formal advertising.
  - .13 Contracts for the provision of In-Home Supportive Services shall not exceed two years. However, a two-year contract may be renewed at the end of the two-year term without rebidding, for one additional year.

<b>23-621</b>	<b>CONTRACT PERIODS (Continued)</b>	<b>23-621</b>
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- .14 Contracts for services which implement CDSS sponsored demonstration projects may have terms to cover the length of the project if necessary to maintain the experimental integrity and continuity of the project.
- .15 Contracts for periods longer than those stated above shall be allowed only if CDSS approval is obtained prior to the start of the procurement process.
- .151 Counties shall request extended contract periods in writing, and shall describe the program and cost benefits of a longer contract. Counties shall also describe the level of competition for such contracts in their area.
- .152 CDSS will review the request for cost impact, overall benefit to the program, the impact on competition of the longer term and conformity to state and federal procurement laws and regulations. CDSS will respond to the county in writing, stating its reasons for any denial of a longer term. CDSS will respond to the county within 15 calendar days of receipt, if the required information is complete or deficient, and within 30 days upon receipt of complete information of its decision on the extended contract term.
- .153 The state's time periods, based on actual performance, for approving contracts terms in excess of the terms allowed in regulations during the two years preceding the proposal of these regulations were as follows:
  - (a) The median time was 46 days.
  - (b) The minimum time was 27 days.
  - (c) The maximum time was 88 days.

<b>23-621</b>	<b>CONTRACT PERIODS (Continued)</b>	<b>23-621</b>
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- .16 The rate of reimbursement for an additional period let under the circumstance provided in Section 23-621 shall be negotiated with the existing contractor based on the following:
- .161 Actual expenditures by the contractor, as documented during the first contract term and approved by the county and CDSS.
  - .162 Changes in federal, state or county program requirements.
  - .163 State and federal minimum wage and contractual step merit increases.
  - .164 Changes in statutory taxes.
  - .165 Changes in insurance costs.
  - .166 Profit may be renegotiated but shall not exceed the percentage of profit, based upon total cost, as bid or negotiated in the first term.
  - .167 Other reasonable costs or increases in cost over which the contractor has no control.
  - .168 In negotiating costs for an additional term, the county must assure that these costs accurately reflect current contract performance and are not inflated to recover costs which may have been underbid by the contractor during the original bidding process.
  - .169 The county shall assure, by audit if necessary, that all cost increases are reasonable and necessary to the continuation of the contract.
- .17 The duration of Food Stamp Issuance contracts is governed by MPP Section 63-601.242.

NOTE: Authority cited: Sections 10553 and 10554, Welfare and Institutions Code. Reference: Section 12302.1, Welfare and Institutions Code.